

# **Co-op***Energy*

---

*'Co-operation is Power'*

**Co-op**

**Energy Saving**

---

**Customised Audit**

---

**Co-operative Purchasing**

---

# Co-opEnergy

## Information Kit

Co-operative Energy Ltd is a not-for-profit entity formed to enable community organisations, churches, co-operatives, small businesses, rural communities and households to pool their purchasing power in the new competitive energy market. The purpose of this Information Kit is to explain how small consumers can work together for mutual benefit. The Kit contains six information sheets.

<b>Co-opEnergy Overview</b>	<b>Co-opEnergy Purchasing Group</b>
outlines the challenges and the choices facing small energy consumers.	outlines what is involved in creating a purchasing profile.
<b>Co-opEnergy Member or Associate</b>	<b>Co-opEnergy Residential Consumers</b>
explains the two options for belonging to the Co-opEnergy Purchasing Group.	indicates the way Co-opEnergy aims to bring in households after the year 2000.
<b>What is a co-operative?</b>	<b>Co-operative Principles</b>
briefly explains the co-operative method of business enterprise.	restates the principles of co-operation adopted by the International Co-operative Alliance.

There is also a Co-opEnergy Expression of Interest Form for you to complete and return - to express your interest in the co-operative energy option.

# Co-opEnergy

## Overview

---

### The Challenge

To ensure that small consumers benefit from the restructuring of the energy industry, including electricity, gas and water.

### The Choice

Small consumers have the choice of remaining isolated individual purchasers of energy or we can aggregate our energy requirements to create a critical mass.

The energy distribution companies expect, and hope, that small consumers will not shop around for energy.

---

### How Co-opEnergy Helps

Co-operative Energy Ltd will provide:

- A way to aggregate small consumers to reduce energy costs and increase the quality of energy services.
- Access to the preparation of individual energy load profiles.
- Assistance with the development of load management systems.
- Access to energy audits.
- Preparation and issuing of tenders.
- Negotiation with providers.

### Our History

Co-operative Energy Ltd was established in 1994 as a not-for-profit entity to enable community organisations, co-operatives, small businesses, credit unions, trade unions, friendly societies and churches to pool their purchasing power by acting as a central broker.

Co-operative Energy Ltd is a member of the peak body for co-operatives, the Co-operative Federation of Victoria Ltd. Co-operative Energy Ltd is also an international affiliate of the USA National Rural Electric Cooperative Association.

---

### The First Step

Become a member or associate of the Co-opEnergy Purchasing Group.

### Your Risk

You simply authorise Co-operative Energy Ltd to act on your behalf.

There is no risk. If we are unable to reduce your energy costs and improve your quality of service there is no obligation for you to change your current supplier.

**Co-operative Energy Ltd, 71 Franciscan Avenue, Frankston, Victoria 3199 Telephone: 61 03 97709916**



# Co-opEnergy

## Purchasing Group

---

### Benefits of Using Co-opEnergy

The Co-opEnergy Purchasing Group will act as a broker on behalf of smaller energy users, thereby forming a significant purchasing group. Smaller means smaller than Alcoa, BHP, CRA, Coles Myer and other giants that can obtain the best deals from suppliers because of their volume purchasing.

### Purchasing Profile

Co-opEnergy will create a purchasing profile as a basis for a tender document to be submitted to all providers.

---

### Aggregating Loads & Purchasing Power

Co-opEnergy seeks members and associates to join together on a no obligation basis for the benefit of all. This simply means - if we can assemble a quantity of energy consumers Co-opEnergy will be able to negotiate a better deal for all, in regards to price and service.

After negotiations, Co-opEnergy will keep its members and associates informed of the best offers available for your consideration. Should you consider it to be to your advantage, you may arrange to place your account with the preferred supplier. If not, you are under no obligation to change from your current supplier.

### Necessary Information

The information necessary for a purchasing profile will include:

**The load profile** - energy usage patterns (how much and when).

**The Power Factor**

**Load management** - managing energy usage in a more efficient way.

**Hours of operation** - investigating price variations based on hours of operation.

**Energy efficiency options** - implementation of energy audit recommendations.

**Green/clean energy** - renewable energy choices.

---

### Energy Efficiency Audit

Co-opEnergy will assist its members and associates with an energy efficiency audit program as energy efficiency is an important way to reduce energy costs. An energy audit will evaluate your load profile, demand management system, together with other technical and cost effective ways of reducing energy consumption.

### Synergy - a total greater than the sum of its parts

You can join Co-opEnergy Purchasing Group by becoming a Member of Co-operative Energy Ltd or take part as an Associate.

# Co-opEnergy

## *Member or Associate*

---

### Participation Options

You can participate in the Co-opEnergy Purchasing Group in two ways:

- Member
- Associate

### Common Interest

Co-operative Energy Ltd believes that what members and associates have in common is our status as small consumers - whether community organisations, co-operatives, small businesses, rural producers or households. We have a common interest in the needs of small consumers.

---

### Member Option

Members of Co-operative Energy Ltd purchase 10 \$1 shares and pay an annual subscription of \$50.

Co-operative Energy Ltd is reviewing its subscription rate and the introduction of entry fees in the future.

By being a member of Co-operative Energy Ltd you can influence the debate on small consumers and the energy industry.

### Associate Option

There are a number of reasons why you and your organisation may choose to become an associate rather than a member of Co-operative Energy Ltd:

- Ineligibility as an organisation.
- A desire to participate in a purchasing group without the obligation of co-operative membership.
- A lengthy process required in your organisation in making decisions on membership of other organisations.
- A desire to wait and see what happens in the industry.

Organisations are invited to become associates in order to participate immediately in the Co-opEnergy Purchasing Group.

# Co-opEnergy

## Residential Consumers

---

### Household Consumers

Residential consumers will not become contestable in the Victorian energy market until the year 2001.

Until then, households will remain captive to their present suppliers.

Individual small consumers, including residents, will only have bargaining power in the energy market by working together - pooling our energy needs.

What is clear is that the immediate participation of membership-based organisations in an energy purchasing group (particularly those which become contestable in July 1998) is essential in order to establish a small consumer presence in the industry.

Membership-based organisations are important because their presence in purchasing of energy carries with it the potential of bringing in their individual members in the year 2001.

---

### Overseas Experience

There are energy co-operatives in over 50 countries in the world. In the USA 12 million consumers own and control electric co-operatives.

Co-operative Energy Ltd is an international affiliate of the USA National Rural Electric Cooperative Association, the peak body of American electric co-operatives. Through this affiliation, a great deal of expertise and advice is obtained.

This knowledge is made available to consumers groups and regulatory bodies in Australia and through the email news service cooperativen-l and the newsletter Co-opEnergy.

---

### Our Priority Groups

- ♦ Community organisations
- ♦ Co-operatives
- ♦ Credit unions
- ♦ Churches
- ♦ Clubs
- ♦ Friendly societies
- ♦ Rural communities
- ♦ Trade unions
- ♦ Voluntary associations

Together these organisations and their members have real purchasing power.

---

### Leading the Debate

Cooperative Energy Ltd has led the debate in Victoria on the potential role of small consumers in the restructured energy industry.



# Co-opEnergy

## What is a Co-operative?

---

### Members Working Together

A co-operative is an organisation owned and controlled by its members - people working together and helping each other.

Its purpose is to serve and benefit its members. Members contribute funds to a co-operative not for capital gain, but for service benefits. In joining a co-operative, members aim to achieve benefits which they could not achieve by acting individually.

### Co-operatives & Companies

The main differences between a co-operative and a company are:

The prime objective of a co-operative is to provide benefits to its members. A company exists to maximise profits for its shareholders.

In a co-operative each member has one vote only. A company's voting and control is related to the number of shares held by each shareholder.

The profits of a co-operative are normally distributed to members in proportion to their use of its services, or retained in the enterprise and not distributed. Company profits are normally distributed as a return on the amount of capital each shareholder has invested.

---

### Member Driven

Co-operatives have an open membership. Membership is based on one vote per member, irrespective of shareholding or use of the co-operative's services.

It is not possible for a minority of members to control a majority of the votes through their shareholding. Co-operatives are member-driven.

### Australian Ownership

Foreign ownership and control of a co-operative is not possible. The shares of a co-operative cannot be traded on the stock exchange.

The co-operative option guarantees Australian ownership.